GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

STARRED QUESTION NO:236
ANSWERED ON:04.12.2002
JOINT VENTURE OF SCI DABHOL PROJECT
DR. KIRIT SOMAIYA

Will the Minister of SHIPPING be pleased to state:

(a) whether the Shipping Corporation of India (SCI) is planning to exit from joint venture with Enron's Dabhol Project;

(b) if so, the details thereof;

(c) whether the SCI is participating in equity in transportation of LNG to Enron's Dabhol Project;

(d) if so, the details thereof alongwith its present status;

(e) whether two Multinational Companies propose to purchase the stake of SCI in the above LNG transport business;

(f) if so, the details together with the present status of this proposal; and

(g) the reaction of the Government thereto?

Answer

MINISTER OF SHIPPING (SHRI VEDPRAKASH P. GOYAL)

(a) & (b): No, Sir. Shipping Corporation of India (SCI) is not a share holder in Enron's Dabhol project.

(c) & (d): SCI is involved in the joint venture company named M/s Greenfield Holding Company Ltd. (GHCL) for transportation of LNG to Dabhol Power Company. At present, SCI holds 20% equity stake in the joint venture company formed for construction, operation and ownership of one LNG tanker. The joint venture company GHCL had executed a Time Charter Agreement on 18.01.1999 with Dabhol Power Company for a period of 20 years to transport 2 Million Metric Tones Per Annum of LNG from Oman LNG, Oman and Abu Dhabi Gas, UAE. This joint venture company originally had Mitsui OSK Lines (75% Share) and Atlantic Commercial Finance Inc (ACFI, a subsidiary of Enron) (25% shares) as shareholders.

SCI joined the project on 20.01.2000 with an equity stake of 20% by buying out 5% share from ACFI and 15% shares from MOL. The current equity in the project is: Government of Sultanate of Oman (GOSO) & Mitsui OSK Lines (MOL) holding 40% each and SCI retains 20%.

(e) to (g) No, Sir. The proposal for purchase of 20% stake of SCI in the transportation joint venture has been made only by Mitsui OSK Lines Ltd. The SCI Board at its meeting held on 25.10.2002 has decided to recommend the proposal to the Government for its consideration. The proposal has been initiated.